

STATE EMPLOYEE GROUP BENEFITS ADVISORY COUNCIL MEETING MINUTES

Board of Investments Conference Room, 2401 Colonial Drive
Helena, Montana

May 17, 2011

SEGBAC Council Present

Chairman: Russ Hill, Administrator, Department of Administration, Health Care and Benefits Division
Member: Steve Barry, Human Resource Division Administrator, Department of Corrections
Member: Brian Ehli, Representative, MEA-MFT
Member: Jenny Kaleczyc, Assistant Public Defender, Office of the State Public Defender
Member: Kelly DaSilva, Human Resource Manager, Legislative Services Division
Member: Amy Sassano, Assistant Budget Director, Office of Budget and Program Planning
Member: Richard Cooley, Senior Investment Officer, Dept of Commerce, Board of Investments
Member: Senator Jim Keane, Senate District 38
Member: Mary Dalton, Administrator, DPHHS, Health Resources Division
Member: Erin Ricci, Admin. Asst. / ICCW Representative, Department of Natural Resources & Conservation
Member: John McEwen, Representative, State of Montana Retirees
Member: Quint Nyman, Executive Director, Montana Public Employees' Association

Staff

Karen Wood, Deputy Administrator
John Thomas, Senior Health Officer
Jackie Dunbar, Medical Management Supervisor
Lance Zanto, Workers' Compensation Bureau Chief
Amber Godbout, Attorney
Amber Thorvilson, Financial Manager
Jessica Jones, Program Integrity Auditor
Charlotte Hafer, Customer Service Assistant

Kelly Grebinsky, FSA, Principal, Actuaries Northwest
Mark Eichler, Pharmacist, URx

Guests

Ginger Lindsey, BCBS
Lois Steinbeck, Legislative Fiscal Division
Michelle St. Germain, New West

Sheri Parson, State Human Resources
Leslie Bergman, Legislative Services
Greg Loughlin, New West

Call to Order & Old Business

Russ Hill called the meeting to order at 8:35 AM. There were new members to the council present. Russ had everyone go around and do introductions.

John McEwen moved to approve the minutes. Steve Barry seconded the motion. There was no discussion. All approved, motion passed.

Plan Financial Performance

Kelly Grebinsky, with Actuaries Northwest Inc, went over the first quarter financial report. He presented the report in a [power point presentation](#).

Russ then went over the Utilization and risk key indicators. He presented his information in a [power point](#). He also provided a [utilization report](#) to go along with the power point.

Take Control Update

Karen gave an update on the Diabetic support program. Take Control program is a Diabetes support and management program. The overall objective of Take Control is to address patient health risks, reduce A1C's (The

A1C test is a common blood test used to diagnose type 1 and type 2 diabetes and then to gauge how well the disease is being managed) to below 7% in a 12 month period, ensure all examinations (dental, eye, kidney, vaccines) are current and address any complications. There are two specific programs that Take Control has implemented; Risk Reduction Program and an Education and Support Program. The first 12 month enrollees have completed the program. The program has some impressive results and enrollees performed beyond our expectations.

Risk Reduction Program Highlights

- 71 participants graduated in the first 12 months of the program and have been moved to the Education and Support Program (Currently 102 active members)
- 42% exited the RRP program with an A1C less than 7%; a 57% reduction in the high risk group, 34% reduction in the moderate risk group and 36% reduction in the low risk group.
- 52% improvement in foot care
- Cost for profiled non-participants with diabetes cost the plan approximately \$1989.00 per member/per month. RRP graduates average cost totaled \$1204 per member/per month. Difference of \$785 PM/PM.
- The RRP group have 35% fewer ER visits and hospital admissions as well as a shorter in length of stay. Length of hospital stays averaged 2 days for the RRP group as compared to 5.6 days in profiled group.

Education and Support Program (Includes monthly newsletters, access to Diabetic Educators, monthly education, co pay waivers on testing supplies and 2 A1C tests per year, Monitoring by a Health Coach).

- 200 participants – a mix of RRP graduates and/or Pre-Diabetic individuals referred to the group (A1C below 7%)
- Average cost for ESP participants are \$433 PM/PM lower than the comparable non-participating profiled group
- Identification of participants that are having difficulty managing their diabetes and rapid intervention keeps them from losing management control

2012 Benefit and Rating Discussion

Russ gave an overview and guiding principles that will be used to determine rates for 2012. Please see [attached](#) power point for those principles. Kelly then went over the different options that are available. Please see attached [spreadsheet](#) for Kelly's presentation. He mentioned that there are likely to be additional changes to benefits that are not on the grid. The purpose of the spreadsheet is to provide a starting point for benefit discussion for the next two years. Kelly also mentioned that financial reports and ratings practices of variety of premium rating subsidies will need to be considered with pricing of premiums. There will need to be some decisions made like "How much to increase premium rates?" and "Who should pay more?"

Medicare Advantage

John Thomas gave the committee information on a Medicare Advantage plan through New West that would be for Medicare retirees. New West is the only company in the State that offers this type of program. Participants would be required to use the network. They would have access to medical, dental, and vision. The premium would be \$160 per participant per month. So if a husband and wife are on the plan, it would cost them \$320 per month for insurance. With this plan, there would be no medical deductibles and simple co-pays, routine preventive care encouraged. If we were to offer this to our Medicare retirees, we would allow them to come back onto the State of Montana health plan if they don't like the Medicare Advantage plan.

Reinsurance Options

Kelly provided a report on reinsurance options. Please see [attached](#) document to see the report.

The next step will be for the workgroups to get started and those groups will start very soon. The different groups are Retiree plans and rates with John McEwen and Steve Barry representing SEGBAC; Consumer Directed Health Plans with Kelly DaSilva and Brian Ehli from the committee; Benefit Changes for 2012 & 2013 with Jenny Kaleczyc and Quint Nyman from the committee; and Dependent Subsidy with Erin Ricci and Quint Nyman from SEGBAC.

Contracts and RFP Update

John Thomas gave an update on contracts. The life and LTD contract was issued May 11, 2011. The vendor questions are due back May 20. Our responses are due June 1, the RFP will be out June 15. We may have offer interviews mid July with a tentative award date of July 29, 2011.

The third party administrator TPA is starting next week. We will begin by writing and gathering requirements and hope to have an RFP out by end of August beginning of September.

Workers' Compensation Update

Lance Zanto gave an update on Workers' comp. Please see [attached power point](#) for his presentation. He also introduced Joe Hamilton as the new Return to Work Specialist.

Sick Leave Fund Update

Karen Wood gave an update on the sick leave fund. After extensive research from the legal staff, it was determined that there is no provision for direct grants under Statute. The sick leave policy is under review and is in the process of getting rewritten to reflect the findings. Statute only allows for a person to receive the benefit of hours from a fund after contributing hours. The hope is to have things ready to go by annual change so that way we have time to educate the employees during annual change about the new policy which will become effective January 1, 2012. The hope is to have participation in the sick leave fund be an annual election. We did get permission from our lead legal counsel, Mike Manion, to continue direct grants through the end of this year.

The next SEGBAC meeting is August 23 in the Wilderness Room. There will be a lot of decisions that have to be made at this meeting.

Russ asked for public comment. Seeing no comments from the public, he asked for a motion to adjourn the meeting. John McEwen moved to adjourn and Richard Cooley seconded the motion. There was no discussion, meeting adjourned at 2:35 PM.